

December 2005

What you need to know about pesticide broker licensing

Department of Pesticide Regulation
Product Compliance and Mill Assessment Branch

What are the new requirements on firms that sell pesticides?

They are part of a new California law going into effect January 1, 2006. The intent is to ensure that first sellers of pesticides into California (other than registrants and licensed pest control dealers) get a pesticide broker license from the Department of Pesticide Regulation (DPR).

The goal of the law (Assembly Bill 1011) is to promote a safe, fair, and equitable marketplace by ensuring all who sell pesticides in California comply with pesticide registration requirements and pay their fair share for environmental programs.

Who needs to have a pesticide broker license?

You must have a license if you are (1) the first to sell, offer to sell, distribute into, or bring into California for sale any pesticide product, AND (2) you are not the registrant or a licensed pest control dealer.

Before the new legislation, broker license requirements applied only to sellers of agricultural-use pesticides. The new legislation expanded the broker licensing requirement to include those who first sell or distribute any pesticides into California. This includes not only agricultural pesticides but also pesticides sold for use in residential, industrial and institutional settings.

What is a pesticide? I'm not sure this law applies to me.

A pesticide is any substance intended to control, destroy, repel, or attract a pest. Any living organism that causes damage or economic loss or transmits or produces disease may be the target pest. Pests can be animals (like insects or mice), unwanted plants (weeds), or microorganisms (like plant diseases or "germs," that is, viruses and bacteria).

Pesticide products include not only insecticides and herbicides, but many products not typically thought of as pesticides, including algicides (such as pool chlorine), disinfectants and sanitizers (such as toilet bowl cleaner), repellants (such as mosquito repellent), rodenticides (rat poison), and fungicides (like rose dust). Examples of nonagricultural pesticides include pesticides labeled for home-and-garden use and structural pest control; control of pests on pets; industrial uses such as water treatment; health-related pest control, such as mosquito abatement; and institutional uses such as sanitizers in hospitals, medical offices, schools and food handling establishments.



Department of
Pesticide
Regulation

Product Compliance
and Mill
Assessment Branch

1001 I Street
P.O. Box 4015
Sacramento, CA 95812
916/445-4159
www.cdpr.ca.gov

Shortcut for telling if a product is a pesticide?

Look on the product label. If it is a pesticide, there will be a U.S. EPA registration number on it. It is often abbreviated on the label as "EPA Reg. No."

Are there any shortcuts to telling if a product is a pesticide?

Yes. Look on the product label. If it is a pesticide, there will be a U.S. EPA registration number on it. It is often abbreviated on the label as "EPA Reg. No."

Does everyone who distributes or sells pesticides need to be licensed?

No. Only those people or firms who are the first seller or distributor, and who are not registrants or pest control dealers. For example:

- Registrants (companies that have pesticides registered with DPR for sale in California) do NOT need a pesticide broker license.
- Persons or businesses that buy pesticide product from a registrant and then deliver it into California DO need a pesticide broker license.
- Internet or mail order businesses selling pesticide products into California DO need a pesticide broker license.

Does every retail store that sells pesticides need to be licensed?

No. Most retail stores would not need to be licensed. Only if the retailer delivers pesticide products from its own out-of-state facility into California would the retailer need to be licensed as a broker.

Are there any requirements on retailers?

Yes. Retailers of pesticide products must:

- Keep for four years records of transactions subject to the mill assessment (that is, if they are the first sales or purchases into or within California). These records must be available for DPR audit.
- Keep a list of sellers they bought pesticide from over the most recent 12 months.

How do I get a pesticide broker license?

You send an application to DPR. You can download the application packet from DPR's website, www.cdpr.ca.gov. To have a copy sent to you by postal mail, contact DPR's licensing unit at 916-445-4038, or by e-mail at LicenseMail@cdpr.ca.gov.

Is there a fee for the license?

No. There are no longer any broker licensing fees. (DPR is revising the pesticide broker license packet to delete references to the fee.)

How long will my pesticide broker license be valid?

A license is issued for up to two years. Its expiration date will depend on when it was issued and where the first letter of your last name falls in the renewal cycle.

For more information, go to www.cdpr.ca.gov and click on the red "Mill Assessment" quick link.



When do I need to apply for the license?

The new requirements become effective January 1, 2006.

Is there a penalty if I miss the January 1, 2006 date?

You are subject to a penalty of \$5,000 for failure to get a license. If you send in your license application before March 1, 2006, DPR will waive the penalty for failure to get a license if you also submit information on your pesticide sales for the first quarter of 2006 and pay the assessment due on these sales.

What does the law require of pesticide brokers?

- If you are responsible for the first sale of a pesticide into California, each quarter you must report to DPR (1) the total dollars of your pesticide sales; (2) the total pounds or gallons sold into or within California of each pesticide product; and (3) you must pay the mill assessment on these sales.
- You must keep records of all purchases, sales, and distributions of pesticides into and within California. You must keep these records for four years, at your principal place of business (which may be outside California). These records must be kept even if the pesticide registrant or someone else pays the mill fee.
- Your records are subject to audit by DPR and must clearly show proof of payment of the mill assessment for each registered pesticide product.
- Invoices for all sales of pesticides into or within California must show payment of the mill assessment. (Retail sales of non-agricultural products are exempt from the invoicing requirement.)

What is the pesticide assessment?

California assesses a “mill assessment” fee on all pesticide sales. A mill is equal to one-tenth of a cent. The assessment rate is currently set at 21 mills, or 2.1 cents on each dollar of sales. An extra 0.75 mill assessment is charged on sales of agricultural and dual-use products (products labeled for both home and agricultural use) to support the pesticide consultation unit of the California Department of Food and Agriculture.

Who is responsible for reporting pesticides sales in California and paying the mill assessment?

The first seller is. This is usually the pesticide registrant. Registrants are responsible for reporting the amount of pesticides they distribute or sell for use in California, and for paying the mill assessment. If the first sale is made not by the registrant but by another party (a pesticide broker or pest control dealer), then they must report and pay the mill assessment.

Where do mill assessment fees go?

Mill assessment revenues are placed in a special fund used to pay for the State’s pesticide regulatory program. DPR’s mission is to protect human health and the environment by regulating pesticide sales and use, and by fostering reduced-risk pest management. DPR’s

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Why is licensing important?

All firms that are first sellers of pesticides into and within California must be licensed so DPR can track all pesticide sales and ensure an equitable marketplace where all pay their fair share.

programs are funded mainly from fees on pesticide registrations, professional licenses, and from the mill assessment.

The mill assessment program is a self-assessment system. Each quarter, DPR issues mill assessment reporting forms to registrants, and to licensed pesticide brokers and dealers. That is why it is so important that all firms that are first sellers of pesticides into and within California are licensed. Without the ability to track all pesticide sellers, it is impossible to ensure an equitable marketplace where all pay their fair share.

How do pesticide brokers report sales to DPR?

Each quarter, DPR mails all licensed pesticide brokers a reporting form. For each product sold, the form asks for the registrant name, brand name/product name, **California registration number**, total dollars of sales, and total pounds or gallons sold.

Complete the form, sign and return it with correct payment to DPR no later than 30 days after the end of the quarter.

Do I need to send a report if I had no sales?

Yes. You are required to report all sales each quarter, including zero sales. Complete the mill assessment form showing no sales were made for the quarter by writing “none” or “\$0,” then sign and mail by the due date.

How do I find out the California registration number?


The California registration number is a combination of the registration number assigned by U.S. EPA, followed by a two-letter code assigned by DPR. This is because in certain situations, U.S. EPA allows companies to register more than one product with the same registration number. For example, a company may make one brand of bathroom disinfectant in pine scent, lemon scent, and floral scent. U.S. EPA would allow the three products to be registered with the same number. Similarly, a company may market a pesticide under several brand names. If they are identical formulations, they can all share a single U.S. EPA registration number.

In all cases, DPR requires each product be registered separately. DPR needs a different number for each product so they can be identified and listed in database searches. To distinguish between registrations with the same U.S. EPA registration number, DPR assigns them different letter codes, tacked onto the U.S. EPA number.

DPR’s two-letter code will not be on the product label. You can get it from the registrant or from DPR’s online database. Go to www.cdpr.ca.gov, and click on “Look up pesticide products” on the right side of the page.

Under “Product-Specific Inquiries,” click on “Using the California registration number.” Enter the U.S. EPA registration number (often abbreviated “EPA Reg. No.”) as it appears on the product label. This query will retrieve all brand names with that number registered with DPR, along with their assigned letter code. You will need to review the list to find the brand name that matches the product you are selling.

For more information, go to www.cdpr.ca.gov and click on the red “Mill Assessment” quick link.



I have to report all “California registered” pesticide products. What are they?

All pesticide products sold or used in California must be registered with DPR. Almost all of them must also be registered first by the U.S. Environmental Protection Agency.

One class of products—adjuvants—requires registration only in California. An adjuvant is a wetting agent, spreading agent, deposit builder, adhesive, emulsifying agent, deflocculating agent, water modifier, or similar substance intended to be used with another pesticide as an aid to the application or to improve its effect. Examples of adjuvants include products used to change the pH of swimming pools, and sticking agents added to garden pesticides to improve their effectiveness.

Mill fees must be paid on all pesticide products registered in California, including adjuvants.

How can I tell if a product is an adjuvant that only needs to be registered in California?

If it fits the definition of adjuvant (see previous question), look on the label. If it is a registered adjuvant, it will have a “CA Reg. No.” on the label. (It will be the U.S. EPA-assigned company number, plus a five-digit DPR-assigned number beginning with “50.”)

Is there a list of pesticide products registered in California?

Yes. Go to DPR’s Web site, www.cdpr.ca.gov, click on “Look up pesticide products” on the right side of the page. Under the heading, “Lists,” click on the bullet “California registered products.” It will open a text file that lists the approximately 12,000 pesticide products registered in California, along with their registration number. The file can be inserted into a spreadsheet or database. (Instructions on how to break the list into database fields are also posted online.)

The list is updated every business day, but does have limitations. It does not include products whose registrations have expired. If these products came into California before the registration expired, they may be legally sold in California for up to two years after the expiration date. In these situations, we suggest you verify the registration expiration date with a “product-specific” query, detailed above.

How would a pest control dealer, retailer, distributor or broker know that the mill assessment was paid on pesticides they receive?

On the first sale of pesticides into or within California, the law requires that the sales invoice show who will pay the mill assessment. On following sales, the invoice must show the assessment was paid. (Retail sales of nonagricultural pesticides labeled only for home, industrial, or institutional use are exempt from this requirement. For example, a person buying a home-use pesticide product at a local retailer would not receive a sales invoice with mill assessment information on it.)

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Can a registrant pass on the responsibility of reporting and paying the mill assessment to a broker or dealer if the registrant ships the product to a California location?

No. The registrant is required to report and pay on a California sale. The only exception is if the shipment is to an out-of-state location and the registrant did not have knowledge the product would be sold for use in California.

Who pays the mill assessment if a registrant ships pesticides on consignment to a pesticide broker or pest control dealer?

If the broker/dealer is located in California and receives the product in California from the registrant, the registrant is responsible for the mill assessment. If the broker/dealer is located outside the state and receives the product from the registrant (or other source) at their facility outside the state, the broker or dealer must report the sale and pay mill assessment for the product it sells into or within the state.

If I discover that I have sold an unregistered pesticide into California, do I need to report it?

DPR encourages you to come forward with this information. It shows a desire to bring your business into compliance with California law. Given this positive demonstration of your company's business practices, DPR would be inclined to work with you to mitigate possible fines, and to give your firm the opportunity to propose and carry out a plan to prevent future violations.

More questions?

Visit DPR's Web site, www.cdpr.ca.gov, and click on the red "Mill Assessment" quick link. Or contact the Product Compliance and Mill Assessment Branch at 916-445-4159. You can also e-mail questions to millassessment@cdpr.ca.gov.

Helpful Web links

Text of Assembly Bill 1011:

www.cdpr.ca.gov/docs/mlassess/ab_1011_1.pdf

DPR pesticide broker license packet: www.cdpr.ca.gov/docs/license/broker.htm

Look up pesticide products registered in California:

www.cdpr.ca.gov/docs/label/labelque.htm

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